



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 11/30/2006

GAIN Report Number: E36143

EU-25

Poultry and Products

Thailand and EU agree on poultry import quota 2006

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Report Highlights:

Thailand and the European Union have come to an agreement on new quota for imports of cooked chicken meat and salted poultrymeat from Thailand into the EU. No quota for turkeymeat was allocated to Thailand. This is the result of the WTO case on the EU customs classification of poultrymeat, which was won by Brazil and Thailand. The new TRQs for Thailand amount to 252,643 MT out of total TRQs of 515,198 MT for processed and salted chicken meat. The agreement with Thailand was announced one month after the agreement with Brazil, as reported in GAIN report E36137.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2]
[E3]

"The European Commission has concluded an agreement with Thailand on a new regime for imports of salted poultrymeat and cooked chicken meat into the EU. The agreement modifies the current bound tariff rate concessions for these two items and foresees the creation of new tariff rate quotas (TRQs), in conformity with the procedure set out by GATT Article XXVIII. Under this procedure, a WTO Member has the right to withdraw a concession provided that compensation is offered to the main trade partners." These are the opening sentences of a [press release](#)¹ on the EC DGTrade website. This agreement with Thailand on TRQ for poultry imports, which comes one month after a similar agreement with Brazil, is the consequence of the EU loss in the WTO case on the "Customs Classification of Frozen Boneless Chicken Cuts" (DS269 and DS286). See [GAIN E36137](#)² and [GAIN E35185](#)³.

A quota for Thai cooked poultry of 160,033 tons a year was agreed. The in-quota tariff is fixed at 8 percent ad valorem. As a result, the new TRQ for cooked chicken meat (HS code 1602 32 19), which was opened in the agreement with Brazil, is being modified to increase the volume to 250,953 tons, up from the initial 230,453 tons, and the tariff is lowered from the initial bound tariff of 10.9% ad valorem. The out-of-quota rate will be 1,024€/ton. For salted poultry meat (HS code 0210 99 39), Thailand has been allocated 92,610 tons from the total of 264,245 tons at a bound rate of 15.4% ad valorem. For quantities above this, the out-of-quota rate will be 1,300€/ton. The agreed quota for salted poultry in the negotiation with Brazil has not been changed. No TRQ for preparations of turkey meat (HS code 1602 31) was allocated to Thailand.

Besides poultry products covered under the above-mentioned quota, EU imports of uncooked poultry have increased to 70,000 MT in 2005. As a result of the conclusion of the agreements with Brazil and Thailand, it can be estimated that EU chicken imports will increase to about 7.5 percent of EU domestic consumption compared to 6.5 percent in 2005. The import into the TRQs alone will amount to 6.7 percent of the EU domestic consumption, as can be deducted from below PSD. For turkey, the import TRQ will cover about 5.5 percent of EU turkey consumption. PSD's can be found in GAIN [E36108](#) – EU-25 Poultry Annual Report.

Country:	EU25					
Commodity:	Meat, Broiler (1000MT CWE)					
Year	2005		2006		2007	
	USDA Official [old]	Posts estimates [new]	USDA Official [old]	Posts estimates [new]	USDA Official [old]	Posts estimates [new]
Beginning Stocks	0	0	0	0	0	0
Production	7,625	7,736	7,540	7,425	0	7,530
Imports	485	522	450	600	0	645
TOTAL SUPPLY	8,110	8,258	7,990	8,025	0	8,175
Exports	740	755	720	620	0	685
TOTAL Dom. Consumption	7,370	7,503	7,270	7,405	0	7,490
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	8,110	8,258	7,990	8,025	0	8,175

¹ http://ec.europa.eu/trade/issues/sectoral/agri_fish/agri/pr281106_en.htm

² <http://www.fas.usda.gov/gainfiles/200611/146249445.pdf>

³ <http://www.fas.usda.gov/gainfiles/200509/146130935.pdf>

Country:	EU25					
Commodity:	Meat, Turkey (1000MT CWE)					
Year	2005		2006		2007	
	USDA Official [old]	Posts estimates [new]	USDA Official [old]	Posts estimates [new]	USDA Official [old]	Posts estimates [new]
Beginning Stocks	0	0	0	0	0	0
Production	1,945	1,917	1,865	1,810	0	1,790
Imports	100	103	80	110	0	115
TOTAL SUPPLY	2,045	2,020	1,945	1,920	0	1,905
Exports	185	188	170	150	0	150
TOTAL Dom. Consumption	1,860	1,832	1,775	1,770	0	1,755
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	2,045	2,020	1,945	1,920	0	1,905

Impact on European production and relevance for chances for future U.S. poultry exports to Europe.

These large quantities of poultry cuts that Brazil and Thailand can export to the EU again at reduced tariff under these new TRQs will significantly increase competition for potential future U.S. exporters of poultry to the EU. The [Association of Poultry Processors and Poultry Trade in the EU countries](#) (AVEC) had called upon the EC to fight the WTO verdict by all means because their assessment was that, if the EC fails to do so, more than half a million of employees in the sector could be unemployed. It also claimed that not only the European poultry sector would be hard hit, but also the European wheat and corn producers as poultry production uses about 20 percent of the European wheat and corn production (GAIN report [E35113](#)).

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